GOVERNMENT OF INDIA
TOURISM AND CULTURE
LOK SABHA

STARRED QUESTION NO:364
ANSWERED ON:22.03.2001
FOREIGN DIRECT INVESTMENT IN TOURISM SECTOR
DR. KIRIT SOMAIYA

Will the Minister of TOURISM AND CULTURE be pleased to state:

(a) The total amount received by the Government as foreign direct investment in the tourism sector during each of the last three years and the probable amount expected for 2001-2002;

(b) the names of projects in the country running with cent per cent funding by foreign direct investment, location-wise;

(c) whether the present allocation for tourism is sufficient to meet the growing demand for investments and also to achieve the target of tourism during the Ninth Plan; and

(d) if so, the efforts being made by the Government to meet the growing demand for funds in the tourism sector?

Answer

MINISTER OF TOURISM AND CULTURE (SHRI ANANTH KUMAR)

(a) The total amount received by the Government as Foreign Direct Investment in the Tourism sector during the years 1998, 1999 and 2000 is Rs. 39.95 crore , Rs.40.54 crores and Rs.52.40 crores respectively. Due to the proposed further liberalisation in the policy to promote 100% FDIthrough the automatic route of RBI, the overall FDI investments in the country are likely to rise during the year 2001-2002.

(b) A list of Foreign Direct Investment projects with cent per cent funding in the tourism sector locationwise is given at Annexure.

(b) No, the allocation is insufficient.

(d) Since the allocation is not sufficient, the Government extends various fiscal and financial incentives totourism sector viz. concessional duty on imports to approved hotels and hotel projects including Income Tax exemptions, interest subsidy for star and Heritage hotels. The Government of India has also identified Tourism as a High Priority Industry for both foreign and private Investment.

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(b) the names of projects in the country running with cent per cent funding by foreign direct investment, location-wise;

(c) whether the present allocation for tourism is sufficient to meet the growing demand for investments and also to achieve the target of tourism during the Ninth Plan; and

(d) if so, the efforts being made by the Government to meet the growing demand for funds in the tourism sector?